



State of Idaho
Legislative Services Office

Management Report

A communication to the Joint Finance-Appropriations Committee

OFFICE OF THE ATTORNEY GENERAL

FY 2007, 2008, and 2009

Report IC16009
Date Issued: June 17, 2010

Serving Idaho's Citizen Legislature



Don H. Berg, Manager
Audits Division

**Idaho Legislative Services Office
Legislative Audits Division**

**OFFICE OF THE
ATTORNEY GENERAL**

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Office of the Attorney General covering the fiscal years ended June 30, 2007, 2008, and 2009. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Office.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or the prior report.

AGENCY RESPONSE

The Attorney General's office has reviewed the report and is in general agreement with its contents.

FINANCIAL INFORMATION

The following financial data is for informational purposes only.

OFFICE OF THE ATTORNEY GENERAL – FISCAL YEAR 2009

Fund	Title	Beginning Cash/ Appropriation	Receipts/ Transfers In	Disbursements/ Transfers Out	Ending Cash/ Appropriation
0001	General Fund	\$19,107,004	\$534,823	\$18,381,603	\$1,260,224**
0125	Indirect Cost Recovery - SWCAP Fund	0	237,370	237,370	0
0348	Federal Fund*	(399)	593,393	601,360	(8,366)
0349-04	Consumer Protection Fund	718,072	3,370,901	2,785,372	1,303,601
0365	Permanent Building Fund	896	0	896	0
0630	Custodial Fund	1,187,555	0	1,096,256	91,299
	Total	\$21,013,128	\$4,736,487	\$23,102,857	\$2,646,758

*The Federal Fund 0348 can have a negative cash balance resulting from a "borrowing limit" of \$250,000 established for cash flow purposes.

**General Fund balance reverted at June 30, 2009.

This report is intended solely for the information and use of the State of Idaho and the Office of the Attorney General and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the Attorney General, Lawrence Wasden, and his staff.

ASSIGNED STAFF

Lori Hendon, CPA, Managing Auditor

Aimee Hayes, CPA, In-Charge-Auditor

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AGENCY RESPONSE



STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WASDEN

May 25, 2010

Mr. Don H. Berg, Manager
Legislative Audits Division
Legislative Services Office
STATEHOUSE MAIL

RE: Audit Report

Dear Mr. Berg:

We have reviewed the *Management Report* on internal controls over financial operations of the Office of the Attorney General for fiscal years 2007 through 2009. We are pleased to note that there are no findings or recommendations for this audit period.

The Office of the Attorney General is committed to maintaining the highest operating standards and welcomes this opportunity to review and improve our procedures and internal controls.

We appreciated working with your staff members, Lori Hendon and Aimee Hayes, during this review.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence G. Wasden".

LAWRENCE G. WASDEN
Attorney General

LGW:jc

APPENDIX

STATUTORY AUTHORITY

The Attorney General is the chief legal officer of the State of Idaho. Article IV, Section 1 of the Idaho Constitution states that the Attorney General is a member of the executive department of State government and is elected by the people for a four-year term. In addition, the Attorney General serves on the State Board of Examiners (Idaho Constitution, Article IV, Section 18) and on the State Board of Land Commissioners (Idaho Constitution, Article IX, Section 7).

PURPOSE

The powers and duties of the Attorney General, including the common law powers and duties, are derived from the Idaho Constitution and from the statutes. Idaho Code, Section 67-1401 specifies the duties of the Attorney General. Major duties include representing the State in every lawsuit in which the State is a party or has an interest, providing formal opinions to designated State officials, and providing guidance and counsel to State and local agencies in the interpretation of Idaho law.

ORGANIZATION

All attorneys are titled Deputy Attorney General. Each deputy is assigned to a division, and each division is headed by a division chief. Division chiefs report to the Chief Deputy and Attorney General. The office is organized into eight divisions: Administration and Budget, Civil Litigation, Consumer Protection, Contracts and Administrative Law, Criminal Law, Human Services, Intergovernmental and Fiscal Law, and Natural Resources.

Administration and Budget Division is a non-legal division. It is responsible for the business operations of the Office and provides budgeting, accounting, payroll, and computer services.

Civil Litigation Division is responsible for providing centralized civil litigation advice and representation in significant cases for all State agencies. They provide a defense for State tort claims, actions against the judiciary and legislature, employment claims against State agencies, Indian gaming matters, workers compensation claims, agency bankruptcy issues, and Tax Commission litigation.

Consumer Protection Division enforces various consumer laws to protect consumers and businesses from unfair and deceptive acts through education, mediation, and enforcement. These consumer laws include Idaho's Consumer Protection Act, Competition Act, Telephone Solicitation Act, Pay-Per-Telephone Call Act, and Charitable Solicitation Act. In addition, they defend the State's Master Settlement Agreement with the tobacco industry, and have been delegated the duty of enforcing Idaho's Tobacco Master Settlement Agreement Act, Tobacco Master Settlement Agreement Complementary Act, and Prevention of Minors' Access to Tobacco Act.

Contracts and Administrative Law Division manages outside legal contracts on behalf of the Bureau of Risk Management, the State Insurance Fund, the Bureau of Child Support, and the Industrial Special Indemnity Fund. These duties include assigning cases to outside legal counsel, monitoring and supervising cases, and reviewing and approving attorney billings. In addition, they also provide centralized support for State agencies' contract activities, including reviewing contract documents.

Criminal Law Division is responsible for discharging the statutory duties assigned to the Attorney General, which include statewide representation for all criminal appeals, discretionary assistance and investigative support to local prosecuting attorneys, and providing legal services to various departments that deal with criminal matters.

This Division also contains the Medicaid Fraud Control Unit which investigates and prosecutes Medicaid fraud by health care providers and the abuse, neglect, or financial exploitation of patients in facilities that accept Medicaid funds.

Human Services Division provides legal services to the board, director, and staff of the Idaho Department of Health and Welfare, including its divisions and regional offices.

Intergovernmental and Fiscal Law Division serves as the legal counsel to the Secretary of State and State agencies and provides legal advice to Idaho's cities, counties, and special districts, most notably with respect to the Idaho Open Meetings Law and Public Records Act.

Natural Resources Division provides advice and assistance to State officials regarding natural resource and environmental law matters, including endangered species litigation, State timber sales, grazing leases, and a multitude of complex water-related issues.

FUNDING

The Office of the Attorney General is funded primarily through General Fund appropriations.

The legislature funds the Special Litigation Program through a General Fund appropriation. These funds are used when litigation costs arise that cannot be accurately anticipated or budgeted in advance.

When the Attorney General prosecutes cases for local governments, expenses related to those cases are paid from the General Fund and subsequently reimbursed by the local government.

Fees for salaries of deputy attorneys general and support staff assigned to State agencies are collected through the Statewide Cost Allocation Plan (SWCAP) and deposited in the Indirect Cost Recovery Fund. This money is subsequently transferred to the General Fund.

General Fund 0001 is used for the general administration of the Office and to carry out the constitutional duties of the Office, including providing legal assistance to agencies regarding civil matters and representing the State in criminal matters.

Indirect Cost Recovery Fund 0125 receives funds from SWCAP to be used for salaries of the deputy attorneys general providing legal services to various State agencies. The collections are transferred to the General Fund at the end of the fiscal year.

Economic Recovery Fund 0150 accounted for an appropriation from the Economic Recovery Fund to provide for one-time equipment replacement costs for fiscal year 2007.

Federal Grant Fund 0348 receives federal grants from the Department of Health and Human Services and U.S. Department of Justice to cover expenses associated with the Medicaid Fraud Control Unit and the Internet Crimes Against Children task force.

Miscellaneous Revenue Fund 0349 is the Consumer Protection Fund that accounts for penalties, costs, and fees recovered by the Office. This money is used to further the duties and activities under the Consumer Protection Act in accordance with Idaho Code, Section 48-606(5).

Permanent Building Fund 0365 is used for renovating or repairing existing building structures.

Custodial Fund 0630 is used to temporarily deposit settlement receipts from various cases prior to distribution to the appropriate recipient.

Attorney General

Agency Profile

Organizational Chart

